**THE HON'BLE SRI JUSTICE C.V.RAMULU**

**WRIT PETITION NO.11874 OF 2003**

**DATE: 18th November 2006**

Between:
Y.Suri Babu,
S/o late Muthyala Naidu, aged 52 years,
Occ: business, near S.P.Bungalow,
Vizianagaram, Vizianagaram District.

…Petitioner

And

1. The Government of Andhra Pradesh,
   Cooperation Department, rep. by its
   Secretary, Secretariat, Hyderabad and 2 others.

…Respondents.

* * *

**ORDER:**

This writ petition is directed against a show cause notice issued for conducting an enquiry under Section 71(1) of the A.P. Cooperative Societies Act, 1964 (for short 'the Act').

2. The petitioner challenged the said notice on various grounds stating that the society approached the National Bank for Agriculture and Rural Development (NABARD), seeking financial assistance during the year 1993-94 and in turn the NABARD sanctioned the scheme in favour of M/s.Sri Swamy Aluminum Rolling Industrial Cooperative Society on 22.3.1994 under which the financial assistance to the extent of Rs.27,00,000/- has been approved. The said scheme itself indicates that the finance would

be routed through the A.P. State Cooperative Central Bank and the second respondent herein, subject to fulfilling certain conditions. Thereafter, the A.P. Khadi and Village Industries Board in its proceedings vide Rc.No.Coop.Cell/93/112, dated 29.3.1993, informed the second respondent that the society will pay interest at 4 percent per month and differential rate of interest above 4 percent will be subsidized by the commission on loan advances as per the pattern of the financial assistance of Khadi and village Industries Commission. The society paid share capital to the extent of Rs.75,100/- to match 10 percent of the total amount being disbursed.

3. The bone of contention of the petitioner is that the entire loan transaction is with the society alone but not with this petitioner, therefore, no enquiry under Section 71 of the Act can be undertaken and a certificate can be issued against an individual and it can be issued only against the society.

4. Be that as it may, since it is only a show cause notice issued for the purpose of conducting an enquiry under Section 71 of the Act, no interference can be made by this Court. The disputed questions cannot be gone into in this writ petition. No extraordinary ground is made out, such as jurisdiction or authority of the second respondent for issuing the impugned notice. The writ petition is devoid of merits and liable to be dismissed.

5. Accordingly, the writ petition is dismissed. No costs.

**C.V.RAMULU, J.**

Date: 18th November 2006.

BSB